

Before the  
Administrative Hearing Commission  
State of Missouri



THE BRIDGE MARKET AND FAITH  
COMMUNITY,

Petitioner,

vs.

DIRECTOR OF REVENUE,

Respondent.

No. 10-1431 RS

**DECISION**

The Bridge Market and Faith Community (“the Bridge”) is entitled to a sales tax exemption.

**Procedure**

The Bridge filed a complaint on July 29, 2010. The Director of Revenue filed an answer on August 30, 2010. After numerous continuances, we held a hearing on May 28, 2013. Lee Elliott represented the Bridge. Christopher R. Fehr represented the Director. The case became ready for decision on October 15, 2013, the date the last written argument was due.

**Findings of Fact**

1. The Bridge is incorporated as a not-for-profit organization under Missouri law. It hosts religious services and sells coffee and tea drinks, as well as packaged fair-trade certified coffee

and other fair-trade certified merchandise,<sup>1</sup> in New Town, a residential development in St. Charles, Missouri.

### Why the Bridge was Founded

2. The Bridge was formed as a collaboration between two churches: the Reformed Church in America (R.C.A.) and the Evangelical Lutheran Church in America (E.L.C.A.). Both churches were interested in establishing a “faith presence” in New Town.

3. The Bridge is listed as a “new church plant” in R.C.A. records. The founders filed a new congregation plan for it with their superiors in the R.C.A. denominational structure, and had to receive approval for it.

4. The founders of the Bridge gave it that name because it is “trying to bridge the huge gulf that is developing between the secular society in which we live and the faith communities.”<sup>2</sup>

5. The Bridge is not intended to function as in a “traditional ... evangelistic kind of way.”<sup>3</sup> Rather, the model for the Bridge is to “engage in sacred conversations” or “pre-evangelistic conversations”<sup>4</sup> in a nonreligious setting.

6. The founders of the Bridge believe that “it’s more effective to reach the unchurched [in a nonreligious setting] than to set up a traditional church with stained glass windows and Sunday school classes and those kinds of things.”<sup>5</sup> They knew that four or five churches had previously attempted to plant new churches in New Town, and that all had failed.

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<sup>1</sup> Fair-trade certification” means an organization certifies that the workers or farmers who produce the products receive a fair and living wage and that the products are environmentally sustainable. Resp. Ex. M, Tr. 91.

<sup>2</sup> Tr. 16.

<sup>3</sup> Tr. 15.

<sup>4</sup> Tr. 15, 17.

<sup>5</sup> Tr. 15.

7. On its website, the Bridge says it originated from friends talking about “how, when, and where to start a new faith community that was ‘out of the box[.]’”<sup>6</sup> It describes the purpose of “the faith community” as “to bless the whole world in the spirit of Jesus.”<sup>7</sup>

8. The Bridge describes its vision on its website as:

Fostering and bridging faith communities with the heart to serve others by seeking justice and dignity for all people in many ways, including fair trade.

As a faith community we see ourselves as small groups/house churches that discern together what God is up to in the world and how we can help. We base our lives around Micah 6:8, “And what does the Lord require of you but to *do justice*, and to *love kindness* and to *walk humbly* with your God?”<sup>8</sup>

9. The Bridge also proclaims on its website, under “Who We Are?”, that “we exist to bridge ethnic, racial, religious and socio-economic cultures. We are concerned advocates, founded and supported by faith communities, desiring to bring peace, justice and dignity to the world.”<sup>9</sup>

#### Governance, Funding, and Staffing

10. The board of directors of the Bridge is comprised of Reverend Jim Erdman, Reverend Libby Reinking, Jan Jobe, Amy Baue, Janet Runge, Paul Dinkins, Reverend Philip Doeschot, and Reverend Stephanie Doeschot.

11. Reverend Erdman is an ordained minister in the E.L.C.A. He is the pastor of Living Lord Lutheran Church in Lake St. Louis, Missouri, and he is trained in mission development.

12. Reverends Philip and Stephanie Doeschot are ministers in the R.C.A.<sup>10</sup> Reverend Philip Doeschot is the pastor of Christ’s Church in St. Peters, Missouri. Reverend Stephanie Doeschot is a part-time pastor at Christ’s Church.

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<sup>6</sup> Resp. Ex. M (pages unnumbered).

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> The Reverends Doeschot are a married couple.

13. Dinkins is the “community curate” for the Bridge. He is a graduate of the Seattle School of Theology and Psychology.

14. Libby Reinking is a newly ordained minister in the E.L.C.A.

15. The corporate bylaws of the Bridge state:

The Corporation is established:

1. to bridge ethnic, racial, religious and socio-economic cultures by selling fair trade items crafted by artisans and farmers from various global cultures and by operating a coffee house which will sell drinks made with fair trade coffee;
2. to further promote ethnic and economic diversity by building partnerships between artisans living in extreme poverty and conscientious consumers;
3. to address root causes of poverty through education of trade justice by working to promote, create, expand and sustain sales for fairly traded goods;
4. to educate consumers on issues of justice and social responsibility surrounding global trade;
5. to respect the ethnic, racial, and religious traditions and cultural diversity of all God's people;
6. to build and develop a faith community within The New Town at St. Charles;
7. to buy, sell, own, assign, lease and mortgage any real and personal property, wherever located, and to construct, maintain, own and operate improvements thereon necessary or incident to the accomplishment of the charitable purposes of the Corporation, as set forth herein; and
8. alone or in cooperation with other persons or organizations to do any and all lawful acts and things which may be necessary, useful, suitable, or proper for the furtherance, accomplishment, or attainment of any or all of the purposes or powers of the Corporation. In general, to do any and all acts or things and to exercise any and all powers which may now or hereafter be lawful for the Corporation to do or to exercise under and pursuant to The General Nonprofit Corporation Law of the State of Missouri, for the purpose of accomplishing any of the purposes of the Corporation.

16. The Bridge is not profitable and loses between \$18,000 and \$20,000 per year. All proceeds of its sales are recycled back into its operations. It is subsidized by the R.C.A. and the E.L.C.A., as well as contributions from local congregations and individuals.

17. The Bridge hires baristas. In addition to serving coffee and selling the fair trade items, the baristas and volunteers at the Bridge provide pastoral care to customers and witness about their religious principles to customers on occasion.

18. The baristas and volunteers would not be allowed to continue in their employment or volunteer service if they acted inconsistently with the Bridge's values and principles.

19. Fifty percent of tips received are donated to mission projects or other religious endeavors.

20. Reverends Philip Doeschot, Stephanie Doeschot, and Jim Erdman also act as volunteer baristas.

21. The E.L.C.A. authorized a newly ordained minister, Libby Reinking, to staff the Bridge and provide pastoral care and outreach full time as of June 1, 2013.

#### Activities at the Bridge

22. The Bridge looks like a coffee shop, and it sells coffee and tea drinks and fair trade merchandise. The "whole purpose"<sup>11</sup> of selling these items is to bring people into the Bridge in order to develop the new faith community.

23. The Bridge has a portion of a Bible verse from Micah 6:8 prominently painted on one of the walls: "Doing justice ... Loving kindness ... Walking humbly with God."<sup>12</sup> It also has a baptismal font.

24. The Bridge hosts a religious service every Thursday. It remains open during the service. People can purchase coffee during the service and either leave or join the service after they do so.

25. The Bridge also holds services on Good Friday and Easter.

26. The Bridge holds story time for children on Tuesdays at 11:00 AM. Story time follows the same principles and values as the other programs at the Bridge. Biblical stories and activities are sometimes presented during story time.

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<sup>11</sup> Tr. 20.

<sup>12</sup> The complete verse is "He has told you, O man, what is good; and what does the Lord require of you but to do justice, and to love kindness, and to walk humbly with your God?" (English Standard Version).

27. The Reverends Doeschot do all of the activities at the Bridge that they do at Christ's Church in St. Peters, including celebrating the eucharist.<sup>13</sup>

28. One patron of the Bridge who is a member of the Roman Catholic Church arranged through the Bridge for Reverend Philip Doeschot and Reverend Stephanie Doeschot to marry his son and daughter-in-law. Baptisms have also been performed there.

29. At one point, approximately 100 people gathered at the Bridge for a Friday night prayer service for a community member who was ill.

30. Musicians play at the Bridge on Friday nights. They play a mix of secular and faith-based music. They are paid only by tips.

#### The Bridge's Application for Tax-Exempt Status

31. On March 18, 2010, the Bridge was granted federal tax-exempt status under §501(c)(3) of the Internal Revenue Code.

32. The Bridge submitted an application for exemption from Missouri sales and use tax to the Director on April 27, 2010.

33. The Director denied the Bridge's application on May 10, 2010, and mailed his decision to the Bridge on May 10, 2010, via certified mail.

34. That letter was returned to the Director on May 25, 2010, as undeliverable.

35. The Director mailed a copy of his decision to Reverend Erdman on June 10, 2010.

36. The Bridge filed its complaint with this Commission on July 29, 2010.

#### **Conclusions of Law**

We have jurisdiction over this case. §§144.261 and 621.050.<sup>14</sup> Our duty in a tax case is not merely to review the Director's decision, but to find facts and render the agency's final

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<sup>13</sup> At the hearing, Reverend Philip Doeschot called it "the Lord's supper."

<sup>14</sup> RSMo 2000. All statutory citations are to the 2012 Cumulative Supplement to the Missouri Revised Statutes unless otherwise noted.

decision, exercising the same authority as the Director. *State Bd. of Regis'n for the Healing Arts v. Trueblood*, 368 S.W.3d 259, 266 (Mo. App. W.D. 2012); *J.C. Nichols Co. v. Director of Revenue*, 796 S.W.2d 16, 20-21 (Mo. banc 1990). Exemptions from tax “are to be strictly construed against the taxpayer, and any doubt resolved in favor of application of the tax.” *Southwestern Bell Telephone Co. v. Dir. of Revenue*, 182 S.W.3d 226, 228 (Mo. banc 2005). The Bridge bears the burden to prove it is entitled to the sales tax exemption. § 621.050.2.

Section 144.020.1 establishes the sales tax in Missouri: “A tax is hereby levied and imposed upon all sellers for the privilege of engaging in the business of selling tangible personal property or rendering taxable service at retail in this state.” The Bridge claims an exemption for sales and use tax under § 144.030.2(20):<sup>15</sup>

There are also specifically exempted from the provisions of the local sales tax law [including §144.020.1] ... All sales made by or to religious and charitable organizations and institutions in their religious, charitable or educational functions and activities[.]

Although the Bridge has tax-exempt status under §501(c)(3) of the Internal Revenue Code, “[f]ederal tax status determinations have no impact on whether organizations qualify for Missouri tax exemptions.” *Missouri State USBC Ass'n v. Director of Revenue*, 250 S.W.3d 362, 363 n.2, (Mo. banc 2008); *See Indian Lake Prop. Owners Ass'n, Inc. v. Dir. of Revenue*, 813 S.W.2d 305, 308 (Mo. banc 1991). Thus, the Bridge cannot rely on its federal tax-exempt status to prove that it is entitled to a Missouri tax exemption.

Instead, we must determine, under § 144.030.2(20), whether the Bridge is a “religious ... institution” and whether the Bridge makes sales and purchases in its “religious ... functions and activities.”<sup>16</sup> The General Assembly did not define the terms “religious,” “institution,”

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<sup>15</sup> 144.030.2(19) at the time the Bridge filed its complaint.

<sup>16</sup> The parties do not argue or otherwise allege that the Bridge is a charitable or educational institution.

“function,” or “activity.” We therefore must give these terms their “common-sense, dictionary meaning[s],” *State v. Goodin*, 248 S.W.3d 127, 131 (Mo.App. S.D. 2008); *State v. Skaggs*, 74 S.W.3d 282, 284 (Mo.App. E.D. 2002), or look to previous case law for appropriate definitions.

“Religious” is defined as “exemplifying the influence of religion... set apart to religion ... of or relating to religion ... concerned with religion.” *Webster’s Third New International Dictionary (Unabridged)* 1918 (1986). “Religion” is defined as “the personal commitment to and serving of God or a god with worshipful devotion, conduct in accord with divine commands . . . and typically the relating of oneself to an organized body of believers.” *Id.*; *Missouri Church of Scientology v. State Tax Commission*, 560 S.W.2d 837, 840 (Mo. banc 1978). An “institution” is “an established society or corporation.” *Webster’s* at 1171. A “function” is “the activity appropriate to the nature or position of a person or thing.” *Id.* at 920. An “activity” is “an occupation, pursuit, or recreation in which a person is active.” *Id.* at 22.

Under these definitions, we conclude that the Bridge is a religious institution and its activities – even its sales of fair trade items and coffee drinks – are religious in nature.

First, as a corporation, the Bridge is an institution.

Second, the nature of the institution is religious. The Bridge is funded and operated by the Reformed Church in America and the Evangelical Lutheran Church in America, with a full-time pastoral presence. The Bridge operates in order to spread the Christian message to and create a community among people who are not affiliated with a church. One of the pastors responsible for the Bridge testified that the goal in operating the Bridge was to fulfill the “Great Commission” in Matthew 28:19-20: “Go ye therefore, and teach all nations, baptizing them in the name of the Father, and of the Son, and of the Holy Ghost; Teaching them to observe all things whatsoever I have commanded you[.]”<sup>17</sup> The goal of the Bridge is to create a faith

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<sup>17</sup> Tr. 41. The biblical quote is from the King James Version.



community in St. Charles, Missouri, and to bridge the divide between church-going Christians and other people.

Third, the Bridge's activities are religious in nature. The Bridge is akin to a church ministry or outreach program. It holds services once a week, and its staffers engage in pastoral care and administer the sacraments of baptism, marriage, and the eucharist. Its sole purpose in selling items at retail is to attract people to its fellowship and message and bring the Christian faith to those who are not affiliated with a church. It does not pursue these activities to earn a profit. In fact, the Bridge loses between \$18,000 and \$20,000 per year, and donates 50% of the tips received to external mission and ministry. If it does earn a profit, the money is re-invested in the Bridge's operations and missions.

There is no Missouri case law interpreting § 144.030.2(20) with regard to religious organizations.<sup>18</sup> Nearly all of the cases analyzing this statute and its predecessors deal with charitable organizations. This is not surprising. Religious organizations have traditionally been visibly religious in nature: churches, synagogues, mosques, religious schools, seminaries and other religious training facilities, and similar institutions.

While there are several cases that interpret the application of property tax exemption laws to religious organizations, that exemption is far more restrictive than the sales tax exemption. The exemption from property taxes is for "all property, real and personal, actually and regularly *used exclusively for religious worship*" (emphasis added). § 137.100(5); Mo. Const. Art. X, § 6. Cases interpreting the property tax exemption, therefore, have limited relevance. *St. John's Medical Center, Inc. v. Spradling*, 510 S.W.2d 417, 418 (Mo Sup., Div. 1, 1974) ("*St. John's I*"). Even in that more restrictive context, however, courts have found that non-worship

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<sup>18</sup> Prior to 2013, this section was labeled as §144.030.2(19). Prior to 1979, this section was § 144.040.1. Prior to 1949, the statute was § 11453, RSMo 1939.

activities did not disqualify an organization from the exemption if they were “incidental to religious worship.” *See Central States Christian Endeavors Association v. Nelson*, 898 S.W.2d 547, 550 (Mo. banc 1995).

Despite the fact that one of the goals stated in the Bridge’s by-laws is “to build and develop a faith community within the New Town in St. Charles,” the Director argues that the by-laws as a whole prove that the Bridge was not established for a religious purpose, and that many of the purposes stated in the by-laws – such as addressing the root causes of poverty, educating consumers on issues of justice and social responsibility, and respecting the religious traditions and cultural diversity of God’s people – are civic in nature rather than religious. To the contrary, we find that in the context of the Bridge’s goals and *raison d’être*, the stated purposes are goals that further the Bridge’s mission of establishing an inclusive, non-traditional faith community. As one of its founding clerics testified, in his opinion, “fair trade, all by itself, is another means of communicating the gospel.”<sup>19</sup>

The Director also argues that the Bridge is not a traditional church and therefore is not entitled to a sales tax exemption. The Director bases his argument on the fact that “[n]one of what [the Director’s investigator] experienced [at the Bridge] or the pictures provided by the Director make any showing of what religious function or activity Bridge has, if any.” *Resp. Proposed Findings of Fact* at 9. The Director ignores, however, the evidence about the primary purpose of the Bridge: seeking to attract unchurched people by being the opposite of a traditional church. A church (or other religious organization) need not have stained glass windows, an altar, Sunday school, or any of the other traditional trappings of religion in order to be a religious organization. The founders of the Bridge specifically wished to *downplay* the hallmarks of a traditional church in order to attract people not attracted to the traditional church.

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<sup>19</sup> Tr. 20.

At the hearing, the Director cited 12 CSR 10-103.600(1) – “In general, the sale of tangible personal property is subject to tax unless a specific statute exempts it” – as support for his primary argument against a tax exemption for the Bridge: that not-for-profit organizations do not generally sell retail items to the public, and if they do, they are disqualified from the tax exemption.<sup>20</sup> This argument is painted with too broad a brush. While the Missouri Supreme Court has not ruled on the sales tax exemption in the context of commercial activity connected to religious activity, the Court *has* spoken on commercial activity intertwined with charitable and educational activity under §144.030.2(20).<sup>21</sup>

In *St. John's I*, the Missouri Supreme Court held that a hospital's cafeteria and gift shop were entitled to a sales tax exemption. The court applied a “primary purpose” test, finding that “the primary purpose of these hospitals in operating cafeterias and gift shops is not to make profits but to use any income from these operations . . . for the benefit of its patients whether pay or indigent.” 510 S.W. 2d at 419. In doing so, the *St. John's I* court “looked beyond consideration of whether competition existed and found that the purpose of the organization in conducting the activity took precedence over any purported competition in determining whether the activity met the requirements of the broadly worded sales and use tax exemption.” *Director of Revenue v. St. John's Regional Health Center*, 779 S.W.2d 588, 590 (Mo. banc 1989) (“*St. John's I*”). The *St. John's II* court further stated that “*St. John's [I]* stands for the proposition that competition with commercial enterprises, in and of itself, does not deprive an organization of charitable exemption or, in this case, educational exemption” and that “*St. John's [I]* emphasizes that commercial competition is not the sole determining factor in exemption cases.” 779 S.W.2d at 591. Instead, “the primary purpose of the organization in conducting the activity took

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<sup>20</sup> Tr. 75.

<sup>21</sup> In the Missouri cases that follow, the section at issue was numbered as § 144.030.2(19). We refer to it by its current number for continuity.

precedence over any purported competition in determining whether the activity met the requirements of the sales and use tax exemption.” *Id.*

In *St. John’s II*, the medical center constructed and operated a fitness center. *Id.* at 589. Participants paid a monthly fee to participate. *Id.* at 590. The medical center sold apparel, juice, and food items to participants. *Id.* The medical center operated the fitness center at a loss. *Id.* The medical center used the fitness center to conduct “outreach programs designed to educate the community regarding healthy life styles and behavior modification.” *Id.* The court noted that the fitness center was an “integral part” of St. John’s “plan to provide health care on a not for profit basis.” *Id.* at 589-90. After stating that the primary purpose, rather than competition, was the starting point for the analysis under § 144.030.2(20), the Missouri Supreme Court held that “the record in this case clearly reflects that the primary purpose of the fitness center is educational.” *Id.* at 591.

*St. John’s II* is persuasive authority because it interprets the other key terms in § 144.030.2(20). Application of *St. John’s II* to this case requires us to identify the primary purpose behind the operation of the Bridge. We find that the primary purpose behind the operation of the Bridge is religious. The Bridge was established by two churches and their ministers to reach the unchurched. Like the fitness center in *St. John’s II*, the Bridge was not created to generate profits. The commercial activity conducted by the Bridge is ancillary to its religious goal. The “whole purpose” of selling the coffee and fair trade items was to attract potential members of the faith community:

In order to have connections with the community, you have to have a way of connecting with them on a regular basis. And so it just simply allows us to have daily conversations with some people. People come in for coffee on a daily basis. We’re the only gift store in New Town. So it gives us a chance to be able to talk with people.

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It gave us a presence in the community. There's a concept called third place . . . third place is where you gather and people know your name and people are aware that it's a community gathering spot.

And really, that's the nature of how Christ did his ministry, is, he primarily gathered in those spots. And so it just seemed natural for us to do this and it seemed natural to the community.<sup>[22]</sup>

The Director cites cases from other jurisdictions in support of his position, but we find them distinguishable. The Director first cites *In re Westboro Baptist Church*, 189 P.3d 535 (Kan. App. 2008). In that case, the Westboro Baptist Church (WBC) sought a sales tax exemption for a new truck. 189 P.3d at 539.

The Kansas Court of Appeals denied the request for an exemption. Kan.Stat. Ann. § 79-101(2) states that “all tangible personal property, actually and regularly used exclusively for . . . religious . . . purposes” is exempt from taxes. That same statute provided that the exemption applies even when a person or group “uses such property for a nonexempt purpose which is minimal in scope and insubstantial in nature if such use is incidental to the exempt purposes of this paragraph.” *Id.* at (c). The Kansas Court of Appeals held that WBC used the truck for a significant amount of political activity in addition to religious use and therefore was not entitled to an exemption. 189 P.3d at 554.

This case does not concern political activity, and *Westboro Baptist Church* thus does not directly apply. The Director takes one line from *Westboro Baptist Church*: “Kansas has rejected characterization of a use as religious if it involves commercial activity.” 189 P.3d at 549. That statement is *dictum*, and it applies to Kansas law. It simply does not have the force that the Director gives it.

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<sup>22</sup> Tr. 20-21.

The Kansas Court of Appeals cited three cases in support of the *dictum*: *Defenders of the Christian Faith v. Bd. of County Comm'rs*, 547 P.2d 706 (Kan. 1976); *Kansas City Dist. Advisory Bd., Church of the Nazarene v. Bd. of County Comm'rs*, 620 P.2d 344 (Kan. App. 1980); and *Salvation Army v. Bd. of County Comm'rs*, 777 P.2d 1280 (Kan. App. 1989) (unpublished opinion). Those cases do not support the conclusion that the Director urges.

In *Defenders of the Christian Faith*, a religious organization bought a ten-story building. 547 P.2d at 707. The group converted the top eight stories to housing for senior citizens, one floor for offices, a chapel, an auditorium, and a fellowship hall; a restaurant, pharmacy, beauty parlor, and gift shop on the ground floor, and a printing operation in the basement. *Id.* The religious organization wanted the Kansas Supreme Court to declare the building severable so that the parts used for religious purposes would not be subject to the *ad valorem* tax. *Id.* The Kansas Supreme Court held, relying on its prior cases and the Kansas Constitution, that in “the absence of a statute to the contrary, where a single building is under single ownership so that it is listed for taxation as an entity, the nonexempt use of any portion of the building renders the entire building taxable.” *Id.* at 708, 712.

In *Church of the Nazarene*, the church sought an exemption from property tax for its district offices, auditorium, caretaker’s office, and a church camp. 620 P.2d at 347. Kansas law stated that “All property used exclusively for ... educational ... (or) religious ... purposes ... shall be exempted from property taxation” Kan.Const., Art. 11, § 1 (West 1980). The relevant statute stated:

The following described property, to the extent herein specified, shall be and is hereby exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

First. All buildings used exclusively as places of public worship ... and used exclusively for the accommodation of ... religious meetings, together with the grounds owned thereby if not leased or otherwise used with a view to profit.

Second. All real property ... actually and regularly used exclusively for ... educational ... (or) religious purposes ....”

Kan.Stat.Ann. § 79-201 (West 1980). The court held that, under this statute, the offices and auditorium were exempt from the property tax. The caretaker’s house, on the other hand, was used solely as a private residence, and the church camp was used for both religious purposes and secular recreation. Thus, neither the caretaker’s house nor the church camp was exempt from tax.

In *Salvation Army*, the Kansas Court of Appeals held that a Weight Watchers program held on Salvation Army property rendered the entire property subject to sales tax because Weight Watchers was a for-profit company. *In re Westboro Baptist Church*, 189 P.3d at 546.

These three cases do not stand for the broad proposition that commercial operations are not religious. Rather, these cases state that, under Kansas law at the time of those decisions<sup>23</sup> -- which was similar to Missouri’s religious property tax exemption – a building or property had to be exclusively used for religious purposes in order to be exempt from property taxes. This case must be decided under Missouri law. Section 144.030.2(20) does not contain the strict exclusivity clause mandated by Kansas law. Further, under *St. John’s II* we must look at the primary purpose of the activity, not merely whether it is commercial in nature. We find the Kansas cases, as well as *Westboro Baptist Church*, inapposite.

The Director next relies on *PICPA Foundation for Educ. & Research v. Bd. of Finance and Revenue*, 634 A.2d 187, 190 (Pa. 1993), for the proposition that “[i]n order to be considered a purely public charity and therefore entitled to preferred tax status, a nonprofit organization must provide a valuable service provided to the public which the government would otherwise

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<sup>23</sup> Kansas amended its constitutional provision in 2007 and the relevant statute in 1986.

have to provide.” Here, we are not faced with the question of what a charity is. We are faced with the question of what a religious organization is. *PICPA* is not apposite.

Finally, the Director cites *Scott v. State*, 2004 WL 691685 (Tex. App., March 31, 2004). We fail to see any relevance in that case, which involved a claim in a criminal case that the appellant was not indigent. The Texas court’s comment that “Scott’s First Amendment right to choose to use his assets for religious purposes does not trump his obligation to pay appellate costs anymore than it trumps his obligation to pay sales taxes when he makes retail purchases” has nothing to do with tax exemptions, the definition of religion, or anything else remotely relevant to this case.

In summary, the cases cited by the Director do not persuade us that the Bridge is not entitled to the tax exemption found in § 144.030.2(20).

### Conclusion

The facts in this case are unique. Certainly, not every religious or charitable institution may establish a bookstore or coffee shop and claim a sales tax exemption. But in this case, the evidence shows that the Bridge is a newly planted mission church, founded and staffed by ordained ministers, approved by the R.C.A., with the mission of spreading its vision of the gospel and reaching the unchurched in the New Town area of St. Charles precisely by not looking or acting like a traditional church. Its primary purpose is to establish a faith community in New Town, and to attract new members to that faith community. It sells coffee and fair trade items solely for the purpose of attracting those potential new members to the faith community. We find that the Bridge is a religious institution, and that its sales of coffee and other fair-trade items are made in furtherance of its religious functions and activities. Its activities fall within the scope of § 144.030.2(20).



### **Summary**

We grant the Bridge a sales tax exemption under § 144.030.2(20).

SO ORDERED ON November 22, 2013.

*\s\ Karen A. Winn*

KAREN A. WINN

Commissioner